

REMARKS

Status of Claims

Claims 1-2, 5-13, 15-28, 30-39, 41, 47-51, 53-56, 58 60-65, 70-75, 78, 80-89 and 91-94 are currently pending. Claims 1, 48 and 88 are independent claims. The claims in their current form can be found in applicant's Amendment and Response to the Office Action mailed November 28, 2007, filed herein on May 28, 2008.

Rejections

Claims 1-2, 5-13, 15-28, 30-39, 41, 47-51, 53-56, 58, 60-65, 70-75, 78, 80-89 and 91-94 are rejected under §102(b) as being anticipated by U.S. Patent No. 5,943,656 to Crooks et al. (Crooks).

Claim 1

As pertinent to the present rejection, applicant's claim 1 recites, in part:

each task having a definition sufficiently clear that completion of said task can be inspected and completed performance verified by an authorizing entity other than the paying entity, . . .

Crooks is directed to an audit process which does not involve inspection of a task, or verification that performance of that task has been completed. See Crooks, col 5, lines 41-67. Rather, in the audit process described by Crooks, billing information received from a billing entity is "checked against predetermined tolerance parameter(s) for determining whether the billing information satisfies such parameter(s)." Id., col 5, lines 20-22. One of the examples provided by Crooks of the audit process is that consumption of a commodity must fall within a 20% difference of that in a previous consumption period. This process merely checks to see that there has not been a

dramatic deviation in consumption in the amount of a utility, and is qualitatively different from inspection of a described task and verifying performance of that task.

Crooks discloses that "Upon receiving the consolidated amount, billable entity 34 can, at step 240 (FIG. 5) authorize payment thereof." Col. 6, ll. 17-18. Authorization in the sense it is used in Crooks means merely approving payment of the bill. Crooks is not directed to a list of tasks defined with sufficient clarity that an independent third party authorizing entity can verify that the task being billed has been completed. Crooks, rather, discloses a system where bills are presented to customers for completed services that do not require inspection by a third party authorizing entity to determine that the services have been completed and verification thereof made. A distinct advantage of applicant's invention is that tasks are sufficiently well defined that an independent third party may inspect and verify completed performance, thereby permitting billing entities not in a direct contractual relationship with the paying entity to submit their bills to the host computer for payment. Applicant's invention thus bypasses the normal requirement of submitting bills "up" the hierarchy in a construction project.

Claim 26.

Applicant's claim 26 recites:

The system for direct presentment and payment of bills of claim 1, further comprising:

- one or more authorizing entity nodes, and
- said one or more network interfaces are further for sending and receiving data to and from said authorizing entity nodes, each one of said one or more authorizing entity nodes associated with an authorizing entity,

- wherein, when said one or more network interfaces receives said request for payment, said one or more processors generates and submits to at least one of said authorizing entity nodes an authorization request, said authorization request requiring an authorizing entity to inspect said project to determine if each of said one or more tasks has been performed, and approve said request for

payment for each of said one or more tasks that has been performed or disallow said request for payment for each of said one or more tasks that has not been performed.

Crooks discloses that when the billable entity receives the consolidated billed amount the billable entity may “authorize payment” of the bill and that, upon receiving payment authorization from the billable entity, the computer system may render payment to the billing entity. Crooks, col. 6, ll. 17-24. Thus, the act of authorizing payment is in Crooks performed by the billable entity and involves only approving the payment. Crooks is not directed to an independent authorizing entity receiving an authorization request that requires the independent authorizing entity to inspect the project to determine if the tasks, for which the request for payment has been received, have been performed and, if they have been performed, to approve the request for payment, or, if they have not been performed, to disallow the request for payment. No such third party authorizing entity is discussed or contemplated by Crooks.

Similarly, Crooks does not disclose and is not directed to the authorizing entity preparing an adjustment instruction for transmission to the host computer, and upon receipt thereof, the host computer generating a bill adjusted according to the adjustment instruction, according to applicant's claim 27. Nor is Crooks directed to generating a bill only upon receipt of the approval from the independent authorizing entity, as recited in applicant's claim 28, the approval including verification that the tasks have been performed, as recited in applicant's claim 30.

As discussed above, Crooks discloses an auditing process. That process, however, does not disclose creating an authorizing request for an independent authorizing entity. Rather, the audit process merely involves the computer checking the

billing information received from the billing entity against predetermined tolerance parameters. Crooks, col. 5, ll. 22. Applicant's claim 26 and claims depending therefrom require inspection of the project for verification of completion of the task by an independent authorizing entity.

Claims 31 and 34

Claim 31, which depends from claim 1, recites that:

... in response to receipt of said request for payment, said one or more processors creates and transmits to said one of said billing entity nodes a claims release form for release of mechanic's lien rights held by said one of the one or more billing entities for performance of said one or more tasks.

Claim 34, which depends from claim 31, recites that

... when said one or more network interfaces receives said claims release form signed by said one of the one or more billing entities, said one or more processors generates an authorization request, said authorization request requiring an authorizing entity to inspect said project to determine if each of said one or more tasks has been performed, and approve said request for payment for each of said one or more tasks that has been performed and disallow said request for payment for each of said one or more tasks that has not been performed.

Claims 31 and 34 are directed to the automated claims release procedure, made possible by an independent authorizing entity being required to inspect the project to determine if each of the specified tasks (which tasks are associated with the signed claims release form) have been performed. Claim 31 clarifies that a claims release form is generated and transmitted to a billing entity in response to receipt of a request for payment from that billing entity. Claim 34 clarifies that when the claims release form, signed by the billing entity, is received, an authorization request is generated requiring the independent authorizing entity to inspect the project to determine if the one or more

tasks involved have been performed, and approve or disallow the request for payment. As submitted above, Crooks is not directed to an authorization procedure. Moreover, while the existence and traditional manner of clearing a mechanic's lien by paper is old and well known, no combination of Crooks and the other cited art, or any prior art, is directed to the authorization of tasks or the clearance of mechanic's lien by the above-discussed procedures using a computer network. It may be important to note that implementation of the invention is only possible if all parties agree to use of the system. For example, all parties involved in a single construction project would be required to agree to use the system to verify performance of tasks, agree to the use of an independent authorizing entity, and to clear mechanic's liens "electronically" as opposed to traditional methods on paper. Entering into such an agreement among all parties allows the extremely streamlined and efficient processes contemplated by applicant's invention.

Conclusion

For the above reasons, applicant respectfully submits that the claims are patentably distinguishable over the prior art, and that this application is in condition for allowance, which is most earnestly requested.

Respectfully submitted,

/Brian Beverly/

Brian Beverly, Reg. 39,609
Attorney for Applicant
One Kaiser Plaza, Suite 750
Oakland, California 94612
Telephone: (510) 832-8700
Facsimile: (510) 836-2595